

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED
JUN 19 4 49 PM '00
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
OCA WITNESS EWEN
(USPS/OCA-T5-17-22)

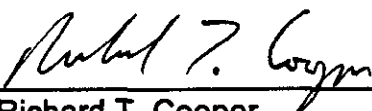
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to OCA witness Ewen: USPS/OCA-T5-17-22.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2993 Fax -5402
June 19, 2000

USPS/OCA-T5-17. Please refer to Table 2, page 7 of your testimony. Please note that for purposes of this interrogatory, an estimate of coverage-related load time based on the Commission's definition of coverage load as the excess of total over elemental load time is referred to as "PRC coverage-related load time." The cost of this "PRC coverage-related load time" is referred to as "PRC coverage-related load time cost."

(a) Please confirm that the FY 1998 PRC accrued coverage-related load time cost of \$1,104,406,000 reported in Table 2, page 7 of your testimony equals the sum of the following three PRC coverage-related load time costs by stop type: \$612,733,000 for SDR stops, \$330,615,000 for MDR stops, and \$161,057,000 for BAM stops. If you do not confirm, please specify how this \$1,104,406,000 is allocated across the SDR, MDR, and BAM stop types.

(b) Please note that the \$612,733,000 in PRC accrued coverage-related load time cost for SDR stops divided by the average FY 1998 city carrier wage rate of \$25.92/hour (Docket No. R2000-1, USPS-LR-I-127, page 440) equals 23,639,406 hours. The ratio of these hours to the total of 12,802,475,000 SDR actual stops in FY 1998 (Workbook Cs06&7.xls, USPS-LR-I-80 at sheet 7.0.4.1, cell L65) equals 6.65 seconds in PRC coverage-related load time per SDR stop.

- (1) Please confirm that this 6.65 seconds in PRC coverage-related load time per SDR stop is an estimate of the average additional load time that is caused specifically by a carrier going to a new, previously uncovered SDR stop in response to volume growth. If you cannot confirm, explain what operational activities are performed during the 6.65 seconds of PRC coverage-related load time.
- (2) If your answer to part (1) is anything other than an unqualified confirm, please specify how this 6.65 seconds in PRC coverage-related load time per SDR stop constitutes a measure of coverage-related as opposed to other load time. Include in this explanation an answer as to why, from an operational and engineering perspective, this 6.65 seconds per stop is coverage-related load time as opposed to elemental load time or institutional load time?
- (3) Consider the additional load time that occurs solely because a carrier delivers mail to a previously uncovered SDR stop that now gets mail due to volume growth. Confirm that this additional load time is the same amount of time regardless of (1) how much mail is delivered to the new SDR stop and (2) how that new mail is distributed across mail shape categories and mail subclasses. If you do not confirm, explain how this additional coverage related load time varies with volume in amount or by shape and class

- (4) Consider the additional letter route access time that results from the fact that, due to volume growth, a carrier **walks up** to a previously uncovered SDR stop to deliver mail. Confirm that this additional carrier walking time is the same regardless of how much mail is delivered at that new stop or how that new mail is distributed across mail shape categories and subclasses. If you do not confirm, explain how this additional access time varies with volume in amount or by shape and class

(c) Please confirm that the BY 1998 total accrued load time cost of \$2,856,175,000 reported in Table 2, page 7 of your testimony equals the sum of the following three accrued load time costs by stop type: \$1,571,780,000 for SDR, \$948,109,000 for MDR, and \$336,286,000 for BAM. If you do not confirm, please specify how this \$2,856,175,000 total accrued cost is allocated across stop types.

(d) Please observe that the \$1,571,780,000 in total accrued BY 1998 SDR load time cost divided by the average FY 1998 city carrier wage rate of \$25.92/hour (Docket No. R2000-1, USPS-LR-I-127, page 44) equals 60,639,671,000 hours. The ratio of these hours to the 12,802,475,000 SDR actual stops accessed in BY 1998 (Workbook Cs06&7.xls, USPS-LR-I-80, at sheet 7.0.4.1, cell L65) equals 17.05 seconds of total accrued load time per SDR stop. The excess of this 17.05 seconds of total accrued load time per SDR stop over the 6.65 seconds of "PRC coverage-related load time" per SDR stop is 10.40 seconds per stop.

- (1) Please confirm that this 10.40 seconds is elemental load time per SDR stop.

- (2) If you do not confirm, please report your alternative measure of BY 1998 elemental load time per SDR stop.

USPS/OCA-T5-18. Confirm that there is a difference between the carrier activities that take place during the elemental load time at an SDR stop and the carrier activities that take place during the coverage-related load time at an SDR stop (as measured based on the PRC definition of coverage-related load time). If you confirm, please list all differences between the activities involved in elemental load time and coverage related load time. If you do not confirm, please explain why the two different types of load time receive different variabilities and different distribution keys.

USPS/OCA-T5-19. Please refer to your Testimony at page 3 line 18 through page 4 line 3 where you present the Commission's established approach for distributing elemental load time costs and PRC coverage-related load time costs across mail classes. Please explain fully why the PRC costing methodology uses a different distribution method to allocate SDR elemental load time cost across mail subclasses than it uses to allocate SDR coverage-related load time cost across mail subclasses.

USPS/OCA-T5-20. Please refer to Table 2, page 7 of your testimony. Please note that for purposes of this interrogatory, an estimate of coverage-related load time based on the Commission's definition of coverage load as the excess of total over elemental load time is referred to as "PRC coverage-related load time." The cost of this "PRC coverage-related load time" is referred to as "PRC coverage-related load time cost."

(a) Please note that the \$161,057,000 in PRC accrued coverage-related load time cost for BAM stops divided by the average FY 1998 city carrier wage rate of \$25.92/hour (Docket No. R2000-1, USPS-LR-I-127, page 440) equals 6,213,630 hours. The ratio of these hours to the total of 1,288,917,000 BAM actual stops in BY 1998 (Workbook Cs06&7.xls, USPS-LR-I-80 at sheet 7.0.4.1, cell L67) equals 17.35 seconds in PRC coverage-related load time per BAM stop.

- (1) Confirm that this 17.35 seconds in PRC coverage-related load time per BAM stop is an estimate of the average additional load time that is caused specifically by a carrier going to a new, previously uncovered BAM stop in response to volume growth. If you do not confirm, please explain the source of the 17.35 seconds in PRC coverage-related load time.
- (2) If your answer to part (1) is anything other than an unqualified confirm, please specify how this 17.35 seconds in PRC coverage-related load time per BAM stop constitutes a measure of coverage-related as opposed to other load time. Include in this explanation an answer as to why, from an operational and engineering perspective, this 17.35 seconds per stop is coverage-related load time as opposed to elemental load time or institutional load time.
- (5) Consider the additional letter route access time that occurs because, due to volume growth, a carrier **walks up** to a previously uncovered BAM stop to deliver mail. Confirm that this additional carrier walking time is the same amount of additional time regardless of (1) how much mail is delivered at that new stop and (2) how that new mail is distributed across mail shape categories and subclasses? If you do not confirm, explain how this additional coverage-related load time

varies with volume in amount or by shape and class.

(b) Please observe that the \$336,286,000 in total accrued BY 1998 BAM load time cost divided by the average FY 1998 city carrier wage rate of \$25.92/hour (Docket No. R2000-1, USPS-LR-I-127, page 44) equals 12,973,983 hours. The ratio of these hours to the 1,288,917,000 BAM actual stops accessed in BY 1998 (Workbook Cs06&7.xls, USPS-LR-I-80, at sheet 7.0.4.1, cell L67) equals 36.24 seconds of total accrued load time per BAM stop. The excess of this 36.24 seconds per BAM stop over the 17.35 seconds of "PRC coverage-related load time" per BAM stop is 18.89 seconds per stop.

(1) Please confirm that this 18.89 seconds is elemental load time per BAM actual stop.

(2) If you do not confirm, please report your alternative measure of BY 1998 elemental load time per BAM actual stop.

USPS/OCA-T5-21. Observe that the ratio of SDR coverage-related load time per stop (6.65 seconds) to SDR elemental load time per stop (10.40 seconds) is 63.89%, and that the ratio of BAM coverage-related load time per stop (17.35 seconds) to BAM elemental load time per stop (18.88 seconds) is 91.91%.

- a. Confirm that the ratio of coverage-related load time per actual stop to elemental load time per actual stop is much higher for BAM stops than for SDR stops.
- b. If you confirm, please provide an explanation of the "operational reality" that explains this difference in the ratios, and "a clear hypothesis about the physical rationale" for why the ratio of coverage-related to elemental load time per stop is so much higher for BAM stops than for SDR stops.
- c. If you do not confirm, please explain why the ratio of PRC coverage related load to elemental load time is about 64% for SDR stops but nearly 92% for BAM stops.

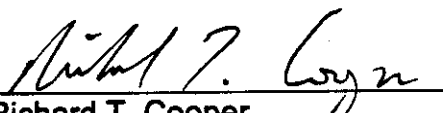
USPS/OCA-T5-22. Please observe that the ratio of total BY 1998 accrued coverage-related load time workhours to aggregate annual BY 1998 actual stops equals 6.65 seconds for SDR stops and 17.35 seconds for BAM stops.

- a. Confirm that the BAM coverage related load time per stop is much higher than the SDR coverage related load time per stop.
- b. If you confirm, explain fully why is the BAM coverage-related load time per actual stop 10.70 seconds higher than the SDR coverage-related load time per actual stop.

- c. If you do not confirm, explain how coverage related load time for BAM stops is almost three times as large as the coverage related load time for SDR stops.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2993 Fax -5402
June 19, 2000